

## Message Text

CONFIDENTIAL

PAGE 01 PANAMA 05983 200117Z  
ACTION SAB-02

INFO OCT-01 ARA-10 ISO-00 SS-15 SSO-00 L-03 /031 W  
-----111161 200125Z /70

O 200025Z AUG 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 3282

C O N F I D E N T I A L PANAMA 5983

FOR AMBASSADOR BUNKER FROM AMBASSADOR JORDEN

EO 11652: GDS

TAGS: PN PBOR PQ

SUBJECT: PANAMA CANAL TREATY: EMPLOYEE ASSURANCES

1. ON AUGUST 18 THE CANAL ZONE GOVERNMENT DISSEMINATED THE LIST OF EMPLOYEE ASSURANCES RECEIVED FROM THE SECRETARY OF THE ARMY. WE DO NOT KNOW YET HOW THE ASSURANCES WILL BE RECEIVED BUT IN MANY RESPECTS THEY ARE RESPONSIVE TO THE CONCERNS OF COMPANY/GOVERNMENT EMPLOYEES. IN TWO IMPORTANT ASPECTS THEY FALL SHORT OF THE GOVERNOR'S EXPECTATIONS AND WE HAVE DISCUSSED THESE DURING THE PAST FEW DAYS. THESE RELATE TO (A) PRIORITY PLACEMENT CONSIDERATION OF EMPLOYMENT BY THE USG AND (B) THE POSSIBILITY OF EARLY OPTIONAL RETIREMENT.

2. IT IS TO THE EARLY OPTIONAL RETIREMENT PROVISION THAT I WANT TO CALL YOUR ATTENTION WITH THE THOUGHT THAT IT IS STILL POSSIBLE TO RECONSIDER AND STRENGTHEN IT. IN MY VIEW, IT IS OF THE GREATEST IMPORTANCE FOR THE FUTURE EFFICIENT OPERATION OF THE CANAL THAT WE MINIMIZE DEPARTURES OF SKILLED PERSONNEL, ESPECIALLY OVER THE FIRST FEW YEARS AFTER THE TREATY ENTERS INTO FORCE. AS PRESENTLY DRAFTED, EARLY OPTIONAL RETIREMENT IS AVAILABLE ONLY TO EMPLOYEES WHOSE POSITIONS ARE ELIMINATED, REDUCED OR TRANSFERRED  
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AS A RESULT OF THE TREATY. THE GOVERNOR ADVOCATES A BROADER PROVISION WHICH WOULD EXTEND TO ALL EMPLOYEES A "CONTINUING OPTION" FOR EARLY RETIREMENT THROUGHOUT THE LIFE OF THE TREATY. WHAT I RECOMMEND FALLS IN BETWEEN. I BELIEVE THAT IF WE COULD OFFER AN OPTION FOR EARLY RETIREMENT FOR A PERIOD OF SAY 5 OR 10 YEARS, WE WOULD BE PROVIDING MORE THAN ADEQUATE

ASSURANCES OVER THAT CRITICAL INITIAL PERIOD AND  
ENCOURAGING THE EMPLOYEES TO GIVE CONTINUED EMPLOYMENT  
WITH THE NEW ENTITY A FAIR TRIAL.

3. ONE GROUP I AM PARTICULARLY CONCERNED ABOUT IS THE  
PILOTS. THIS BODY OF SPECIALISTS IS ESSENTIAL FOR  
EFFICIENT CANAL OPERATIONS, AND ANY SIGNIFICANT EXODUS  
COULD PLAY HAVOC WITH THE FLOW OF TRAFFIC. WE ESPECIALLY  
NEED TO KEEP IN PLACE THOSE PILOTS WHO HAVE FOUR OR FIVE  
YEARS OPERATING EXPERIENCE. IF THOSE NOW WORKING--AND  
THOSE HIRED OVER THE NEXT FIVE YEARS OR SO--KNEW THEY  
HAD THE EARLY RETIREMENT OPTION, I AM PERSUADED IT WOULD  
GREATLY ENHANCE OUR ABILITY TO KEEP THEM IN PLACE AND  
ATTRACT NEW ONES OVER THESE NEXT CRITICAL YEARS OF  
TRANSITION. INCIDENTALLY, THE PILOTS ARE QUITE READY  
TO HELP IN AN EFFECTIVE TRAINING PROGRAM TO DEVELOP  
QUALIFIED PANAMANIAN PILOTS.

4. A CONTINUING OPTION FOR EARLY RETIREMENT SHOULD  
ALSO HAVE A POSITIVE EFFECT ON THE AFL-CIO WHOSE  
ENDORSEMENT OF THE TREATY IS OF CRITICAL IMPORTANCE,  
AS YOU KNOW.

5. I URGE YOU GIVE FAVORABLE CONSIDERATION TO THIS  
PROPOSAL. I HAVE GIVEN CLIFF ALEXANDER A BRIEF SUMMARY  
OF THIS VIEW WHEN WE WERE DISCUSSING ANOTHER MATTER  
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YESTERDAY. BUT YOU AND SOL MAY WISH TO GO INTO IT  
WITH HIM IN MORE DETAIL. MANY THANKS.

JORDEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** GS  
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**Subject:** PANAMA CANAL TREATY: EMPLOYEE ASSURANCES  
**TAGS:** PBOR, EWWT, ELAB, PN, PQ  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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